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November 20, 2000

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Petition for Arbitration of an Interconnection Agreement Between
BellSouth Telecommunications, Inc. and US LEC of Tennessee, Inc.
Pursuant to the Telecommunications Act of 1996*
Docket No. 00-00053

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of the Joint Issues Matrix.
Copies of the enclosed are being provided to counsel of record for all parties.

Very truly yours,

Guy M. Hicks

GMH:ch
Enclosure

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, Tennessee

NOV 23 PM 2 11

In re:

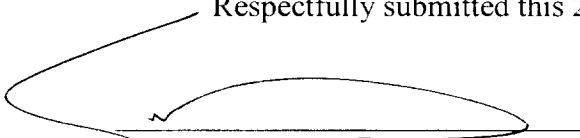
Petition for Arbitration of an Interconnection
Agreement Between BellSouth Telecommunications,
Inc. and US LEC of Tennessee, Inc. Pursuant to the
Telecommunications Act of 1996.

Docket No. 00-00053

JOINT POSITIONS MATRIX

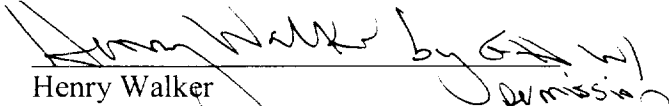
In accordance with the Notice of Procedural Schedule dated October 27, 2000, BellSouth Telecommunications, Inc. ("BellSouth") and US LEC of Tennessee, Inc. ("US LEC") submit their Joint Positions Matrix.

Respectfully submitted this 20th day of November 2000.


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TENNESSEE, INC.

JOINT POSITIONS MATRIX

ISSUE NO.	ISSUE	BELLSOUTH'S POSITION AND REQUESTED RELIEF	US LEC'S POSITION AND REQUESTED RELIEF
1.	Should BellSouth be required to include US LEC's logo on the cover of BellSouth's White Page and Yellow Page directories?	<p><u>POSITION</u>: No. Neither the 1996 Act nor the FCC rules require BellSouth to place a CLEC's logo on the cover of BellSouth's White Page or Yellow Page directories.</p> <p><u>RELIEF</u>: The TRA should confirm that Section 251 of the 1996 Act does not require BellSouth to place US LEC's logo on the cover of BellSouth's directories.</p>	<p><u>POSITION</u>: Yes. Placement of US LEC's logo on BellSouth's White Page and Yellow Page Directories is required under Section 251(b)(3) of the 1996 Act and under Tennessee law.</p> <p><u>RELIEF</u>: The TRA should require BellSouth and its publishing affiliate to include US LEC's logo on the cover of BellSouth's directories.</p>
2.	Should BellSouth be required to provide US LEC's subscriber listing information (SLI) to third parties? If so, under what terms?	<p><u>POSITION</u>: No. BellSouth is not required under the 1996 Act or FCC rules to furnish a CLEC's subscriber listing information (SLI) to third party independent publishers. BellSouth's only obligation with respect to directory listings under the 1996 Act is as stated in FCC Rule 51.217. Under this Rule, it is the CLEC's responsibility to provide the CLEC customers' SLI to independent directory publishers, not the ILEC's responsibility. Unlike provision of listings to directory assistance providers, BellSouth is not obligated to act as a clearinghouse to provide CLECs' listings to directory publishers.</p> <p><u>RELIEF</u>: The TRA should confirm that Section 251 of the 1996 Act does not require BellSouth to provide US LEC's SLI to third parties.</p>	<p><u>POSITION</u>: Yes. Provision of US LEC's subscriber listing information to third parties is required under Sections 222(e) and 252(b)(3) of the 1996 Act and applicable FCC rules.</p> <p><u>RELIEF</u>: The TRA should require BellSouth to make US LEC's subscriber listing information available to third parties and, to the extent BellSouth receives any compensation from the sale of subscriber lists that include US LEC listings to third parties, BellSouth should share that revenue with US LEC on a proportionate basis.</p>

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3.	Should BellSouth be permitted to designate more than one Point of Interface in the same LATA for BellSouth originated traffic to be delivered to US LEC? If so, under what conditions?	<p><u>POSITION</u>: Yes. BellSouth has the right to designate the point(s) of interconnection (POI) for BellSouth originating traffic at any technically feasible point in the local calling area. Thus, while US LEC can choose to build its own facilities to connect with BellSouth at a single technically feasible point in the LATA, US LEC cannot impose a financial burden on BellSouth to deliver BellSouth's originating traffic outside the local calling area to that single point. If US LEC wants calls completed between BellSouth's customers and US LEC's customers using this single POI, that is fine, provided that US LEC is financially responsible for the additional costs US LEC causes. The fact that US LEC chooses to physically interconnect with BellSouth at a single point cannot overcome the fact that the single POI cannot, by itself, constitute an interconnection with every single BellSouth local network in the LATA.</p> <p><u>RELIEF</u>: The TRA should confirm that the originating carrier has the right to determine the POI for the local calling area.</p>	<p><u>POSITION</u>: No. BellSouth should not be permitted to impose network inefficiencies and material cost increases on US LEC. BellSouth should only be able to designate more than one Point of Interface per LATA if it has sufficient traffic terminating to US LEC at each Point of Interface to utilize at least 75% of the interconnection facility's capacity.</p> <p><u>RELIEF</u>: BellSouth's proposal to identify multiple points of interconnection and require US LEC to provide transport from these multiple points of interconnection to US LEC's network is inconsistent with the 1996 Act and FCC orders implementing the 1996 Act. The TRA should adopt US LEC's position and direct the parties to incorporate US LEC's language in the Agreement.</p>
4.	What is the appropriate definition of "serving wire center" for purposes of defining transport of the parties' respective traffic?	<p><u>POSITION</u>: Consistent with the definitions in FCC Tariff No. 1, Tennessee state access tariffs, and <u>Newton's Telecom Dictionary</u>, BellSouth proposes to define <i>serving wire center</i> as "the wire center owned by one Party from which the</p>	<p><u>POSITION</u>: US LEC proposes that the Serving Wire Center be defined "as the V&H coordinates within which the originating Party's Point of Presence is located. BellSouth's definition of serving wire center and the use of</p>

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		<p>other Party would normally obtain dial tone for its Point of Presence.”</p> <p>The location of the serving wire center defines the rate elements that apply when dedicated transport services are used to transport and terminate traffic. Such transport services typically consist of two sets of rate elements. The first set is a flat-rated local channel which is the charge for the facility that connects the CLEC's physical location (i.e., POI) to the BellSouth wire center that serves that location, or the serving wire center. The second set of rate elements is distance sensitive charges that apply for facilities that are provided between BellSouth wire centers.</p> <p>The rate center cannot be used as a substitute for the location of the physical serving wire center as the parties would not be able to determine what call transport and termination rates to apply. Thus, no interoffice transport could be billed under call transport and termination, regardless of whether such transport is used in the exchange.</p> <p><u>RELIEF</u>: The TRA should adopt the definition of serving wire center proposed by BellSouth.</p>	<p>that definition for determining compensation for leased facility interconnection is inappropriate and results in an artificial increase in costs for US LEC. BellSouth's proposal would cause US LEC to incur costs that BellSouth does not incur given the configuration of their networks. US LEC has proposed language that would insure that symmetrical compensation is achieved for leased facility interconnection for traffic carried over the same route.</p> <p><u>RELIEF</u>: The TRA should adopt US LEC's definition in the Agreement.</p>
5.	Should parties be required to provide facilities for the transport of traffic from a Point of Interface (POI) to their own end users?	<p><u>POSITION</u>: BellSouth adopts its position on Issue 3 as if fully set forth herein.</p> <p><u>RELIEF</u>: The TRA should confirm that US LEC is required to bear the</p>	<p><u>POSITION</u>: Yes. BellSouth should be required to provide its own facilities to carry BellSouth's originated traffic to the US LEC network. The FCC has confirmed that each local exchange company</p>

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		<p>cost of facilities used to connect a BellSouth local calling area to the US LEC POI located outside that local calling area.</p>	<p>bears the responsibility of operating and maintaining the facilities used to transport and deliver traffic on its side of the Point of Interface. It is inappropriate to impose any charges for local interconnection on US LEC for BellSouth interconnection trunks terminating at US LEC's network which provide mutual benefits for both parties through the exchange of traffic. US LEC should be similarly responsible for local interconnection trunks up to its Point of Interface with BellSouth's network.</p> <p><u>RELIEF:</u> The Authority should adopt US LEC's position and require each party to assume financial responsibility for the facilities on its side of the Point of Interface.</p>
6.	<p>(a) Which rates should apply for the transport and termination of local traffic: composite or elemental?</p> <p>(b) If elemental rates apply, should US LEC be compensated for the tandem switching elemental rates for purposes of reciprocal compensation?</p>	<p>(A) <u>POSITION:</u> The TRA should apply the elemental rates for the transport and termination of local traffic. This way, BellSouth and US LEC would be compensated only for the functionality and components (<i>i.e.</i>, end office switching, interoffice transport and/or tandem switching) each actually uses to complete a call.</p> <p><u>RELIEF:</u> The TRA should order elemental rates for the transport and termination of local traffic.</p> <p>(B) <u>POSITION:</u> In order for US LEC to be entitled to the tandem</p>	<p>(A) <u>POSITION:</u> The Commission should order a composite rate for transport and termination that reflects the long-run incremental costs of providing those services. FCC Rule 51.711(a) requires that US LEC be allowed to charge BellSouth a symmetrical rate of compensation based upon the same composite rate that BellSouth charges US LEC for terminating traffic on the BellSouth network.</p> <p><u>RELIEF:</u> The Commission should order a composite rate that is equal to the sum of BellSouth's</p>

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		<p>switching rate, US LEC must demonstrate to the TRA that: 1) US LEC's switches serve a comparable geographic area to that served by BellSouth's tandem switches and that 2) US LEC's switches perform <u>local</u> tandem functions. Even after meeting the above criteria, US LEC should only be compensated for the functions that it actually provides on a call-by-call basis.</p> <p><u>RELIEF:</u> The TRA should determine that US LEC is not entitled to the tandem rate because US LEC does not satisfy both prongs of the tandem switching requirements.</p>	<p>tariffed rates for tandem switching, tandem transport termination, tandem transport mileage and end office switching.</p> <p>(B) <u>POSITION:</u> Yes. Consistent with FCC Rule 51.711(a)(3), US LEC's switch serves a geographic area comparable to the area served by BellSouth's tandem switch. Accordingly, US LEC should be compensated pursuant to BellSouth's tandem interconnection rate. Although not required under the FCC rule, US LEC's central switch in each Tennessee market provides the same functionality over the same geographic area as BellSouth's tandem and end office switches.</p> <p><u>RELIEF:</u> The TRA should adopt US LEC's position on this issue and direct that it be compensated at the tandem interconnection rate.</p>
7.	Should ISP-bound traffic be treated as local traffic for the purposes of reciprocal compensation, or should it be otherwise compensated?	<p><u>POSITION:</u> No. This issue addresses the applicability of ISP-bound traffic in the following instances: (1) the general applicability of reciprocal compensation to ISP-bound traffic; (2) the applicability when utilizing distance Phone-to-Phone Internet Protocol ("IP") Telephony; and (3) the exclusion of "false" traffic from the local traffic definition.</p> <p>As to general applicability, reciprocal compensation should not</p>	<p><u>POSITION:</u> The TRA repeatedly has found that ISP-bound calls are to be treated as local calls and there is no reasonable method or basis to distinguish those calls from other local calls. With respect to what BellSouth has termed "Phone-to-Phone Internet Protocol ("IP") Telephony", it is clear that the FCC has asserted jurisdiction over that traffic so, in the first instance, this Authority should refrain from imposing any regulatory regime at this time.</p>

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		<p>apply to ISP-bound traffic. Based on the Act and the FCC's First Report and Order, reciprocal compensation obligations under Section 251(b)(5) only apply to local traffic. ISP-bound traffic constitutes exchange access service, which is clearly interstate and not local traffic.</p> <p>Regarding IP Telephony, the jurisdiction of a call is determined by the end points of a call, not the technology used to transport the call. Therefore, phone-to-phone calls using IP Telephony that originate and terminate in different local calling areas are long distance and subject to switched access today. Under no circumstance would such calls be subject to reciprocal compensation.</p> <p>Finally, BellSouth challenged the compensability of traffic known as "false" traffic through a complaint filed with the North Carolina Utilities Commission (NCUC) by BellSouth against US LEC in Docket No. P-561, Sub 10. Generally speaking, the traffic at issue in that proceeding was router-to-router traffic originated by Metacomm, a company affiliated with US LEC and with whom US LEC agreed to share the reciprocal compensation it received from BellSouth when it terminated that traffic. Irrespective of any actual use of the network connections originated by its routers, these connections were kept open between the BellSouth network and the US</p>	<p>Second, it does not appear to be possible to identify and to separate "IP" traffic from other traffic such that any attempt to address that traffic separately is doomed to fail.</p> <p><u>RELIEF</u>: Consistent with public policy, economic objectives, this Authority's decisions in prior cases, and the decision of the D.C. Circuit Court of Appeals reversing and remanding portions of the FCC's Declaratory Ruling on this subject, BellSouth should pay US LEC reciprocal compensation for calls to those customers who happen to be ISPs — at the same composite rate utilized for all other local traffic. Similarly, the Authority should decline BellSouth's invitation to regulate "IP" telephony traffic at this time.</p>

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		<p>LEC network on essentially a 24 hour-a-day basis so as to generate reciprocal compensation payments from BellSouth to US LEC. The NCUC Order dated March 31, 2000, found that, "No reciprocal compensation is due for any minutes of use attributable to Metacomm or MCNC." By proposing to specifically exclude "false" traffic from the definition of local traffic, BellSouth has attempted to describe, albeit in a shorthand fashion, the type of traffic Metacomm originated--either for itself or on behalf of its own end-user customers--on BellSouth's network and for which US LEC attempted to collect reciprocal compensation from BellSouth. It remains BellSouth's position that "false" traffic is not local traffic subject to payment of reciprocal compensation.</p> <p><u>RELIEF:</u> The TRA should determine that US LEC is not entitled to reciprocal compensation for ISP traffic. Further, the TRA should adopt the definitions proposed by BellSouth.</p>	
8.	Should US LEC be allowed to establish its own local calling areas and assign its NPA/NXX for local use anywhere within such areas, consistent with applicable law, so long as it can provide information permitting BellSouth as the originating carrier to determine whether reciprocal compensation or access charges are due for	<p><u>POSITION:</u> Yes, provided that US LEC will separately identify such traffic for purposes of inter-carrier compensation. BellSouth would not object to permitting US LEC to assign numbers out of an NPA/NXX to end users located outside the local calling area with which that NPA/NXX is associated. Because of this freedom, US LEC can elect to give a telephone number to a customer who is physically located</p>	<p><u>POSITION:</u> Yes. US LEC should be allowed to establish its own local calling areas and assign its NPA-NXX codes for local use anywhere within such areas. Consistent with BellSouth's long-standing and Authority-approved foreign exchange service, calls originated by a BellSouth customer to a US LEC NPA-NXX within BellSouth's local calling area are rated as and</p>

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	any particular call?	<p>in a different local calling area than the local calling area where that NPA/NXX is assigned. If US LEC, however, chooses to give out its telephone numbers in this manner, calls originated by BellSouth end users to those numbers are not local calls. Consequently, such calls are not local traffic under the agreement and no reciprocal compensation applies.</p> <p><u>RELIEF:</u> The TRA should allow US LEC to assign NPA/NXXs outside the local calling area only under the circumstances proposed by BellSouth.</p>	<p>should be construed to be local calls subject to reciprocal compensation. The calls are handled the same and cost the same regardless where US LEC's customers are located and the fact that US LEC may incur additional costs to transport a call once it has been handed off to US LEC is a business decision of US LEC that has no impact on the proper rating of the call as local subject to reciprocal compensation.</p> <p><u>RELIEF:</u> The Authority should reject BellSouth's language and adopt US LEC's which does not require US LEC to limit or to condition the manner in which it allocates NPA-NXX's.</p>
9.	Should ISP-bound traffic be considered local traffic for the purposes of calculating Percent Local Usage (PLU)?	<p><u>POSITION:</u> No. ISP-bound traffic is not local traffic, and should not be considered local traffic for purposes of calculating the PLU. BellSouth reiterates its arguments made in conjunction with Issue 7 above.</p> <p><u>RELIEF:</u> The TRA should rule that ISP-bound is not to be considered local traffic for purposes of computing the PLU.</p>	<p><u>POSITION:</u> ISP-bound traffic is clearly local traffic if the call is originated by a BellSouth customer to an NPA-NXX within the BellSouth local calling area and should be included in the PLU calculation.</p> <p><u>RELIEF:</u> The Authority should rule that ISP-bound traffic is to be considered local traffic for purposes of computing the PLU.</p>

CERTIFICATE OF SERVICE

I hereby certify that on November 20, 2000, a copy of the foregoing document was served on the parties of record, via facsimile, hand delivery, overnight or U. S. Mail, postage pre-paid, addressed as follows:

- ☐ Hand
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- ☐ Overnight

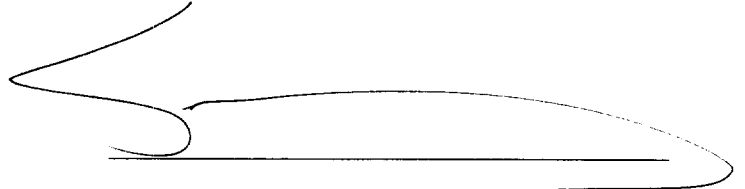
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A large, stylized handwritten signature in black ink, appearing to be a cursive representation of a name, possibly "Aaron Cowell".